

**AVOCA RESOURCES LIMITED**

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SYDNEY NSW 2000via: [www.asx.online.com](http://www.asx.online.com)**RE: HALF-YEAR PROFIT GUIDANCE - \$63.1 MILLION PROFIT PRE TAX**

ASX 200 gold producer, Avoca Resources Limited (ASX: AVO) is pleased to advise shareholders that its **unaudited pre-tax half-year result for the 6 months ended 31 December 2010 is \$63.1 million.**

Avoca's Managing Director, Mr Rohan Williams, said today that "the unaudited pre-tax \$63.1 million profit for the 6 month period to the end of December is a fantastic result and a credit to all of the operational teams at Higgsville and South Kalgoorlie. It derives from a 53% increase in revenue over the corresponding period in 2009 following a significant increase in production to over 137,000 ounces for the 6 months."

Mr Williams added "we expect that as Avoca transforms into **Alacer Gold Corp**, following the successful merger with Anatolia Minerals Development Ltd, the Higgsville and South Kalgoorlie operations will continue to play a very important part of Alacer's growth."

In accordance with ASX Listing Rule 3.1, this announcement confirms Avoca's expectation of a material upward variation in its half-year profit when compared to the corresponding report period in the prior year. Table 1 below provides an unaudited summary of Avoca's key financial and operating performance for the 2010 and 2009 half-yearly periods.

**Table 1: Unaudited financial result for the December 2010 half-year**

	December Half 2010 Estimate \$'000	December Half 2009 Actual \$'000
<b>Financials:</b>		
Gold Revenue	184,828	120,900
Profit/(Loss) before tax	63,144	45,811
Net profit/(Loss) after tax	44,201	34,629
<b>Production:</b>		
Gold sales (ounces)	134,661	102,132
Gold recovered (ounces)	137,201	101,536

Avoca's December 2010 half-yearly financial statements have not yet been audited and includes an estimate of the income tax expense charged to profit.

The upward variation in operating results for the half-year is due to increased gold production for the inclusion of a full six months operating result from the South Kalgoorlie operation (following the successful acquisition of Dioro Exploration NL) and the impact of a higher A\$ gold price on gold revenue.

In accordance with the schemes of arrangements that were recently approved by Avoca security holders, Avoca shares will cease trading on the ASX at the close of trading on Friday, 4 February 2011. Following this date, all future disclosures on the ASX will be made under Alacer Gold CDIs (**AQG**).

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#### **About Avoca**

Avoca Resources Limited (Avoca: ASX-AVO) is an ASX 200 gold mining and exploration company based in Perth, Western Australia. Avoca has grown rapidly since its listing in 2002 as a junior explorer, and this year (FY2011) is forecasting gold production of 280,000 ounces.

Avoca's 100% owned Higginsville Gold Operation has grown into a large gold production centre with a forecast production level for FY2011 of 180,000 ounces. The majority of the Higginsville production is sourced from the high grade Trident underground gold mine which was discovered by Avoca in late 2004.

In early 2010, Avoca completed its takeover of Dioro Exploration NL. Forecast production from South Kalgoorlie for FY2011 is 100,000 ounces which includes its 49% share of the Frog's Leg underground gold mine.

Following the acquisition of Dioro, Avoca now has the dominant position on Australia's richest gold belt: the Kalgoorlie to Norseman gold belt. Avoca owns two 1.2 million tonne per annum treatment plants, has reserves of over 1.3 million ounces of gold and a resource base of 6.7 million ounces; as well as over 3,800km<sup>2</sup> of very highly prospective exploration ground.

Avoca has a highly credentialed management team with considerable expertise in operational management, exploration and project development. Avoca's Managing Director, Rohan Williams, has more than 17 years experience in the Kalgoorlie to Norseman region having held Chief Geologist roles at the +15 million ounce St Ives and the +6 million ounce Norseman gold fields.

On 8 September 2010 Avoca and Anatolia Minerals Development Limited (**Anatolia: TSX-ANO**) a Toronto Stock Exchange listed company announced that they have entered into a Merger Implementation Deed ("MID") to combine the two companies to create a new leading intermediate global gold producer. The combined company will be called Alacer Gold Corp. ("**Alacer Gold**"), bringing together two of the leading junior resource companies in the world. Based on the closing share prices at this date, Anatolia and Avoca, Alacer Gold would have a combined market capitalisation of approximately US\$2 billion.

On the assumption that the proposed merger is successful, Alacer Gold is expected to become a leading global intermediate gold producer with a forecast gold production of 600koz in CY2013 and 800koz in CY2015 with combined gold reserves of 3.5 million ounces and gold resources approaching 15.0 million ounces.